



Corporation
for Public
Broadcasting

J. Westwood Smithers, Jr.
Senior Vice President and
General Counsel

January 27, 2014

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Re: *Expanding the Economic and Innovation Opportunities of Spectrum Through
Incentive Auctions NPRM (Docket No. 12-268)*

Dear Ms. Dortch:

The Corporation for Public Broadcasting (“CPB”) submits the attached *ex parte* letter in connection with the Federal Communications Commission’s Notice of Proposed Rulemaking on *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*. This letter was transmitted to Chairman Wheeler on January 27, 2014.

Sincerely,

J. Westwood Smithers, Jr.
General Counsel

C: Patricia S. Harrison
Michael B. Levy



Corporation
for Public
Broadcasting

Patricia de Stacy Harrison
President and
Chief Executive Officer

January 27, 2014

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Wheeler:

Congratulations on your confirmation as Chairman of the Federal Communications Commission. Members of the public broadcasting community are looking forward to working with an FCC Chairman who knows our industry well. The Corporation for Public Broadcasting (CPB) recognizes the increased demand for spectrum for wireless broadband service, and appreciates the FCC's efforts to identify, anticipate, and address the consequences of reallocating spectrum.

During the past two years, in close collaboration with our colleagues at PBS and the Association of Public Television Stations (APTS), CPB has interacted with FCC staff and submitted positive and constructive comments in response to the FCC's rulemaking notices. Our position has been that the FCC should ensure that all Americans continue to have access over the air to public broadcasting's vital content and services. As the FCC works to adopt final rules for the spectrum incentive auction and repacking process, we wanted to share our views directly with you, particularly as they involve issues such as the Creation of White Areas, Translators, Cost Reimbursement, and Channel Sharing.

Creation of White Areas. The incentive auction and repacking process could result in a reduction in public television signal coverage, creating "white areas" where there will be no access to over-the-air public television service. This could happen if the licensee of the only public television station serving a community submits a license termination bid in the reverse auction. In addition, channel sharing and repacking could affect a station's coverage area, which can result in white areas. We would urge the FCC to adopt practices that will minimize or eliminate the creation of public television white areas.

Translators. Currently, there are 565 CPB-recognized public television translators serving hard-to-reach audiences. We understand that translators are classified as a secondary service and that their continued operation is considered to be a lower priority. However, as a practical matter, many public television translators are of primary importance to their communities. We would urge the FCC to recognize the essential need for public television translators and to mitigate the risk to noncommercial translators by adopting measures in advance that will preserve their service.

Cost Reimbursement. A study conducted by Booz and Company on our behalf estimates that repacking could affect up to one-third of all 355 public television stations, and up to 40 percent of their 565 translators, depending on the amount of spectrum reallocated by the FCC. Booz and Company estimated that the \$1.75 billion repacking fund may not be sufficient to cover the cost of repacking the full-power stations affected, let alone translators. A reimbursement shortfall will be damaging to public television stations. We would urge the FCC to work with Congress to ensure that adequate reimbursement funds are available under any spectrum recovery approach the FCC takes, as well as to change the current statutory bar on using auction proceeds designated for repacking to fund translator relocation. In recognition of public broadcasters' unique funding structures, we would also urge the FCC to prioritize funds for NCE licensees.

Channel Sharing. In the last five years, backed by content grants from CPB and investments by the public television system as a whole, public television stations throughout the nation have been using their multicast capacity to offer the communities they serve a diverse array of content, such as expanded children's programming; the World channel; V-me, and First Nations Experience, as well as local and regional services such as the Minnesota Channel, the Ohio Channel, and the South Carolina Channel. CPB understands the benefits of channel sharing. At the same time, we are concerned that reduced bandwidth could constrict public television's capacity to expand the diversity of content that serves our increasingly diverse nation.

Further, there is no practical way to ensure that auction proceeds accrue to the benefit of the public television system. The auction of public television spectrum in some locations may generate significant revenue and benefit a particular station. However, most stations will not only fail to receive auction revenue because they are not in a desirable market, they could be significantly out of pocket if the repacking fund is not large enough. Further, even stations that place spectrum in the auction may not benefit if their licensee chooses to apply the auction revenue to other non-public media priorities. Moreover, even if all auction proceeds were reinvested in public media, which is unlikely, the annual federal appropriation will still be essential for public media going forward.

Finally, as we look to the future, CPB shares the Chairman's belief that the expansion of broadband is good for public media. Both public radio and television are heavy broadband users in providing streaming and on-demand services. Our goal is to protect our vital over-the-air service while maximizing services as wireless broadband availability expands.

Mr. Chairman, on behalf of the Corporation for Public Broadcasting, I would like to thank you for your leadership. I would welcome the opportunity to meet with you to discuss the potential benefits and risks of the incentive auction and repacking process to public service media.

The Honorable Tom Wheeler
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We stand ready to assist you and the FCC in identifying ways in which we can both increase the availability of bandwidth and preserve public television's over-the-air service which will continue to be vital for some time to come.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Pat Harrison', with a stylized, flowing script.

Patricia Harrison

CC: Patricia Deal Cahill
Chair, CPB Board of Directors

Brent Nelsen
Chair, Broadcast Spectrum Committee of the CPB Board of Directors